

CHES

***CHIEF HOUSEWARES EXECUTIVE
SUPER SESSION***

Robert L. Stoll
Commissioner for Patents
United States Patent and Trademark Office

October 5, 2011



IP Today

- Highly innovative firms rely on patents to attract venture capital—76% of startup managers' report that venture capital investors consider patents when making funding decisions.
- Innovation is linked to three-quarters of America's post-WW II growth rate.
- Capital investment and increased efficiency represent roughly 70 percent -- of the 3.4 percent average annual growth rate achieved since the 1940's.
- New ventures create 2 out of every 3 new jobs in our country.



USPTO Overview

- Approximately 532K filings in fiscal year 2011
- Increased filings of approximately 4.3% in fiscal year 2011 over fiscal year 2010
- Backlog = 675,684
- Our production rate has remained very high

First Office Action Pendency = 28.2 months

Total Pendency = 33.7 months

Allowance Rate = 47.3%

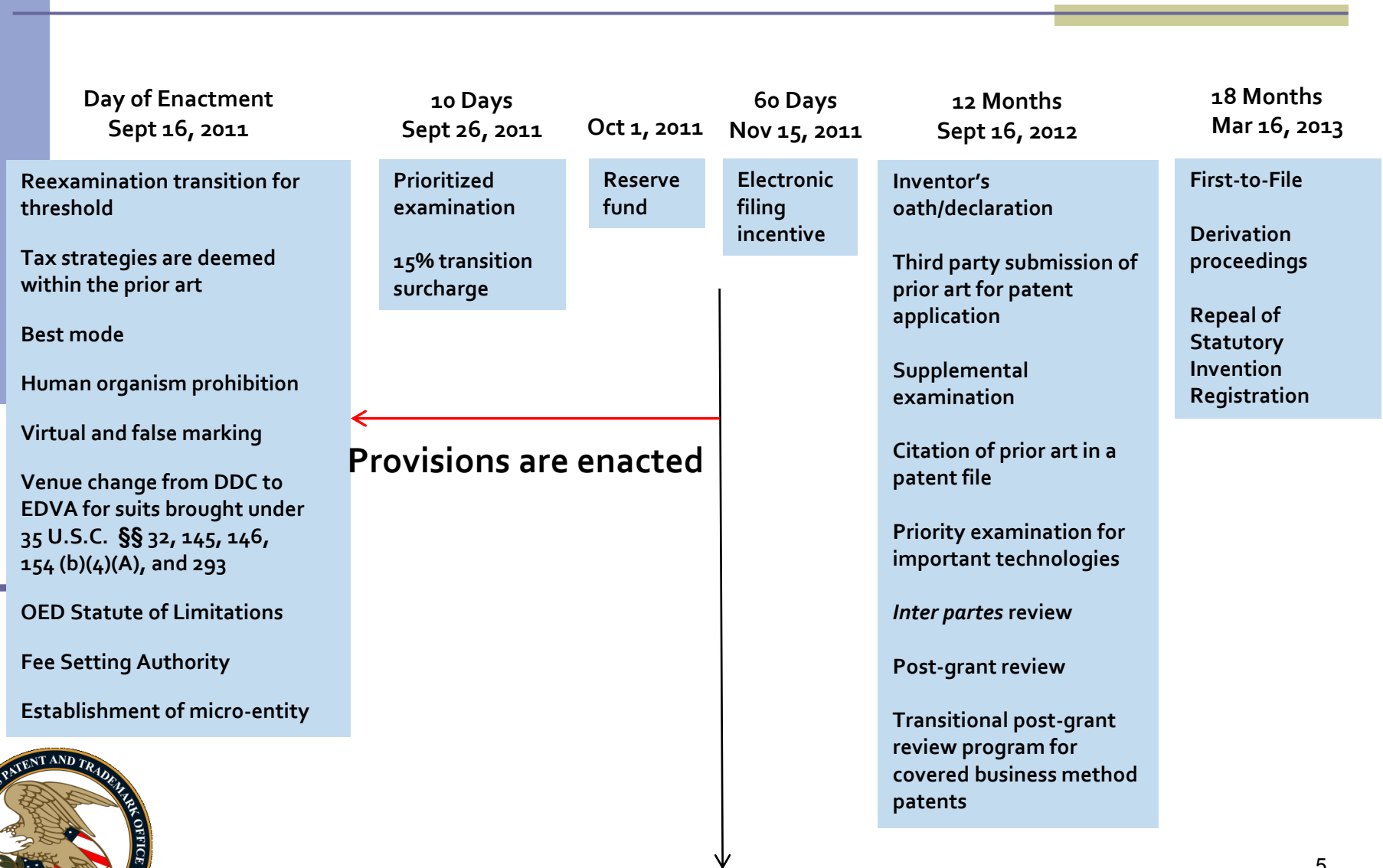


American Invents Act

- On September 16, 2011, President Barack Obama signed into law the Leahy-Smith America Invents Act.
- Important Highlights
 - First to file provision
 - Fee setting authority
 - 15% Surcharge
 - Changes to inter partes reexam
 - Changes to supplemental
 - Virtual and False marking



Enactment Timeline



Day of Enactment Provisions

- Fee setting authority
- Establishment of micro-entity definition, fee establishment after rule making
- Reexamination transition for threshold
 - Change from “substantial new question of patentability” to a “reasonable likelihood that the requestor would prevail”
- Tax strategies are deemed within the prior art
- Best mode
- Human organism prohibition
- Virtual and false marking
- Venue change from DDC to EDVA for suits brought under 35 U.S.C. 32, 145, 146, 154 (b)(4)(A), and 293
- OED Statute of Limitations



Fees and Funding Provisions

Sept 16, 2011

- Fee setting authority (effective after rule making)
- Micro-Entity (effective after rule making)

Sept 26, 2011

- 15% Transition surcharge
- Prioritized examination – Track I
 - Establishes prioritized examination fee of \$4,800 (above usual fees) with 50% reduction for small entities.
 - Final disposition on average within 12 months of prioritized examination request grant.
 - Utility applications must be filed via the Office's electronic filing system (EFS-Web). Plant applications must be filed via paper.
 - The application contains or is amended to contain no more than 4 independent claims and 30 total claims.



Fees and Funding Provisions (continued)

Oct 1, 2011 – Start of Fiscal Year 2012

- Reserve fund
- Funding issues
 - Possible Continuing Resolution

Nov 15, 2011

- Electronic filing incentive - incentive to file applications electronically by applying an additional \$400.00 fee to paper submissions



False Marking

- 35 U.S.C. 292 has been amended.
- Only the United States may sue for the statutory penalty authorized.
- \$500 for each such false marking offense.
- A person who has suffered competitive injury as a result of a violation of the statute may file a civil action in a district court of the U.S. for recovery of damages adequate to compensate for the injury.
- Marking a product with the number of an expired patent is not a violation.



Virtual Marking

- 35 U.S.C. 287 has been amended.
- Mark product with “patent” or “pat.” together with a web address accessible without charge that associates the patented article with the patent number(s).
- Effective Date of marking provisions – applies to any case that is pending on, or commenced on or after, the date of enactment.
- Director to report to Congress within 3 years on experience with virtual marking.



12 Months from Enactment

- Inventor's oath/declaration
- Third party submission of prior art for patent application
- Supplemental examination
- Citation of prior art in a patent file
- Priority examination for important technologies
- *Inter partes* review
- Post-grant review
- Transitional post-grant review program for covered business method patents



Supplemental Examination

- The patent owner may request supplemental examination of a patent to “*consider, reconsider, or correct*” information believed to be relevant to the patent.
- USPTO must conduct supplemental examination and conclude it by issuing a certificate indicating whether the information raises a substantial new question of patentability (SNQ) within **three months** of the supplemental examination request date.
- Upon a determination that a “substantial new question of patentability” is raised, the Director must order an *ex parte* reexamination.
 - *Ex parte* reexamination conducted under 35 U.S.C. chapter 30 and 37 CFR 1.510 et seq. (the *ex parte* reexamination statute and rules), except—
 - The patent owner does not have the right to file a statement under 35 U.S.C. 304
 - The USPTO will address each SNQ without regard to whether it is raised by a patent or printed publication



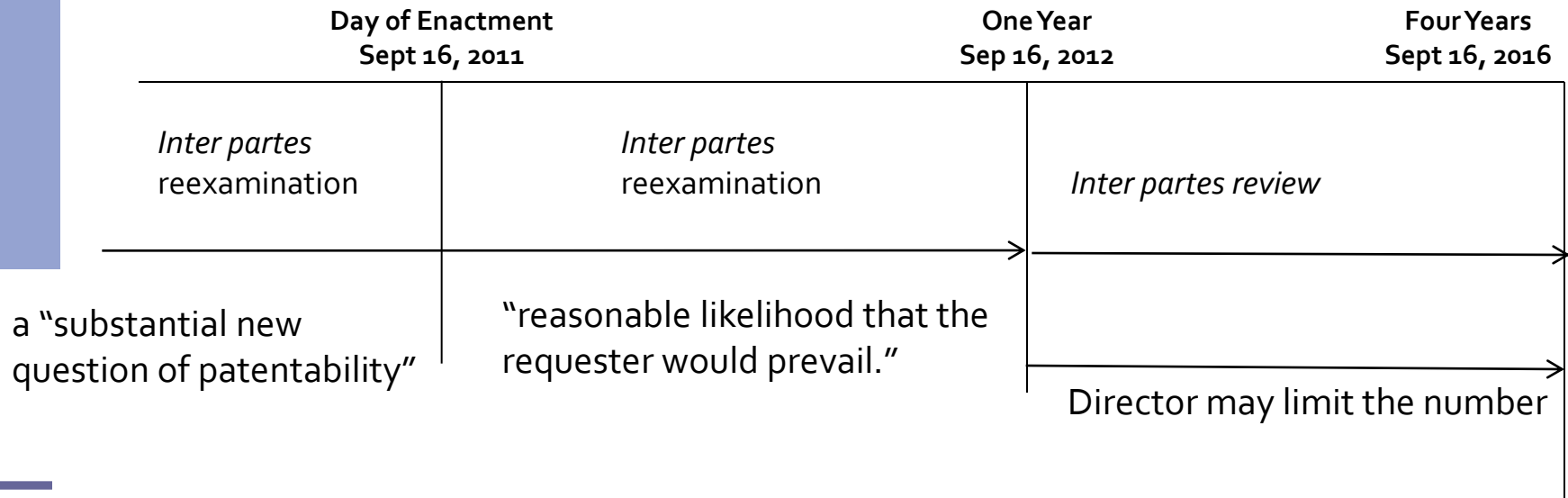
Third Party Submission of Prior Art

- Allows third parties to submit printed publications of potential relevance to examination.
 - must provide, in writing, an explanation of the relevance of the submitted documents.
 - must pay the associated fees.
 - must include a statement by the third party making the submission affirming that the submission is being made in compliance with new 35 U.S.C. 122(e).

- The submission must be made before the earlier of:
 - (1) the date a notice of allowance under 35 U.S.C. 151 is given or mailed in the application; or
 - (2) the later of
 - (i) 6 months after the date on which the application is first published under 35 U.S.C. 122 or
 - (ii) the date of the first rejection under 35 U.S.C. 132 of any claim in the application.



Inter Partes Review



Inter Partes Review Proceedings

- Effective on the day of enactment, the threshold for granting an *inter partes* reexamination was changed from a “substantial new question of patentability” to a higher threshold of “reasonable likelihood that the requester would prevail.”
- One year after enactment, *inter partes* reexamination will be replaced by “*inter partes* review”, which retains the “reasonable likelihood” threshold and will be adjudicated by the Patent Trial and Appeal Board.
- Petitioner may only raise grounds under 35 U.S.C. 102 and 103 and only on the basis of prior art consisting of patents and printed publications.
- Any third party may petition for a review of the patentability of an issued patent after the later of: 9 months from issuance of the patent or termination of a post-grant review of the patent.
- The Director may limit the number of petitions to institute IP review during the first 4 years.



Post-grant Review Proceedings

- Creates a nine-month window in which the patentability of a patent can be reviewed.
- Instituting post-grant review requires a threshold showing that it is “more likely than not” that at least one of the claims challenged is unpatentable.
- Petitioner may raise any ground that may be raised under paragraph (2) or (3) of 35 U.S.C. 282 (b).
- Generally limited to patents for which the first-inventor-to-file provisions apply.



18 Months from Enactment

- First-to-File
- Derivation proceedings
- Repeal of statutory invention registration



First-to-File

- Transitions the U.S. to a first-to-file patent system while maintaining a 1-year grace period for inventor disclosures.
- Establishes “derivation” proceeding in place of interference proceeding for first-to-file applications and patents.
- A prior public use or prior sale anywhere qualifies as prior art (prior public use and sale is no longer limited to the U.S.).
- U.S. patents and patent application publications are effective as prior art as of their priority date (no longer limited to U.S. priority date), provided that the subject matter relied upon is disclosed in the priority application.



Other Provisions

Programs to be created:

- Satellite Offices - Establish 3 or more satellite offices within 3 years.
- Pro Bono
- Patent Ombudsman

Studies to be completed:

- International Protection for Small Business
- Prior User Rights
- Genetic Testing
- Misconduct Before the Office
- Satellite Offices
- Virtual Marking
- Implementation of AIA



Gathering Public Input

- Pre-enactment stakeholder meetings
 - Two sessions held in July 2011
- Notice and comment rule making
 - Formal comments
- Public roundtables to be announced
- Email: aia_implementation@uspto.gov
 - Informal comments



Organizational Readiness

- Key Point of Contact established to move policy through the Agency.
- Three working groups have been formed to focus on the Board, Patents, and Financial.
- Process in place for Track 1 – expedited examination.
- Rule making and guidance creation is underway.



AIA Micro-Site

The USPTO website devoted to America Invents Act legislation

One-stop shopping for all America Invents Act information

The full text of the bill and summary documents

Implementation plans

Announcements

Contact Information



President Barack Obama signs the America Invents Act, Friday September 16, 2011, at Thomas Jefferson High School for Science and Technology in Alexandria, VA



<http://www.uspto.gov/americaninventsact>

Thank You

